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TAGS: <u>PREL KDEM PARM LY IR PA</u>
SUBJECT: MFA OFFICIAL'S OBSERVATIONS ON LIBYA AND THE HAMAS

GOVERNMENT

Classified By: Ambassador Richard W. Erdman, for reasons 1.4 (b) and (d)

LIBYA'S CHANGED BEHAVIOR; STILL MORE NEEDED

- (C) In a May 22 meeting on other issues attended by Ambassador and PolEc Chief, MFA Director General for Arab Affairs Bouzaher gave the Algerian perspective on Libya and dealing with the Hamas government in the Palestinian territories. Ambassador briefed Bouzaher on the U.S. decision to restore full diplomatic relations with Libya, explaining that the U.S. had long made clear that a change of Libyan behavior vis-a-vis the WMD, terrorism, and Pan Am 103 issues would open the door for a change of U.S. treatment of Libya. Libya had addressed these concerns satisfactorily, and we had responded by removing Libya from the list of state sponsors of terrorism and by announcing the upgrading of our relations to full Embassy status. The improvement in U.S.-Libyan relations would hopefully send a strong message to other countries -- North Korea, Syria, and Iran -- that positive changes of behavior would be reciprocated.
- (C) Bouzaher said the GOA had wanted Libya to renounce its negative behavior and was glad that it had come around to a more constructive role in the international community. Regionally, however, Libya's behavior had been troublesome, and Libya needed to do more to promote good relations between neighbors. Bouzaher expressed particular concern over Qadhafi's call for the establishment of a greater Sahara; his efforts with the heads of transnational tribes in the region; and his recent provocative appearance leading prayers in Timbuktu. His meddling with the tribes had security implications for Algeria, Chad, Mali, and other states in the neighborhood. States could not adequately control all their desert areas, and any inducements by Libya to reduce further state control was counterproductive. With understatement, Bouzaher also signaled that Qadhafi's dispatch of a special envoy to Layoune (Western Sahara) to meet with Mohamed VI had not been appreciated (given the territories' disputed statues).

ALGERIA HAS NOT RECEIVED HAMAS

13. (C) Asked about Hamas, Bouzaher said he did not see much flexibility in its position. Even so, he argued, Hamas needed to be accepted as an interlocutor, even if not as a partner. Hamas' assets were blocked and even some diplomatic missions in the Palestinian territories were forced to close due to stringent financial controls on money transfers. It was important to work with Abu Mazen, and his Fatah faction continued to wield considerable power in the security services, observed Bouzaher. Ambassador responded that Hamas had refused to accept the Quartet conditions, which were nothing more than a request that Hamas abide by normal international behavior of governments, accept the Road Map

and accept Israel's existence, as enshrined in the Arab League's 2002 Beirut Declaration. These were not unreasonable requirements, and Hamas, like other governments, had to understand that negative behavior had consequences. Bouzaher nonetheless argued that Hamas felt isolated and this was a mistake. Speaking frankly, he said the U.S. and its partners needed to talk with Hamas and look to the future. Palestinian youth were increasingly frustrated, and this did not bode well for prospects of a future peace with Israel. He also said Algeria was disturbed by violence between Hamas and Fatah elements.

¶4. (C) Bouzaher said members of the Arab League were not receiving Hamas officials. Algeria certainly had not done so, despite pressure from Hamas. Ambassador said this sent an important message in itself. Bouzaher agreed, but felt that ostracism alone would not lead to a change in Hamas' position. There was a real need to relaunch the peace process. Hamas could not achieve its aims through jihad; it had to look to a negotiated settlement. Hamas was no longer an opposition party and could not afford to behave as if it were. If there was a silver lining, concluded Bouzaher, it was that the debate on the Palestinian approach to peace was good for Palestinian democracy. ERDMAN